

**PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA  
COMMISSION DIRECTIVE**

ADMINISTRATIVE MATTER

☐

DATE

February 15, 2012

MOTOR CARRIER MATTER

☐

DOCKET NO.

2011-420-E

UTILITIES MATTER

☒

ORDER NO.

**SUBJECT:**

DOCKET NO. 2011-420-E - Application of Duke Energy Carolinas, LLC for Approval of Rider 3 – Discuss this Matter with the Commission.

**COMMISSION ACTION:**

The save-a-watt Vintage 2 rider expired on December 31, 2011. As such, no rider for the save-a-watt program is currently in place. In order to preserve the continuity of the rider and prevent the customer from being detrimentally impacted by the lapse, I move that we approve the Vintage 3 rider, as adjusted by ORS, subject to a number of conditions.

The Vintage 3 rates are as follows:

Residential Rider EE is 0.3044 cents/KWh;

Non Residential Rider EE Vintage 1 is 0.0192 cents/KWh;

Non Residential Rider EE Vintage 2 is 0.0052 cents/KWh;

Non Residential Rider EE Vintage 3 is 0.0495 cents/KWh;

Non Residential Rider DSM Vintage 1 is 0.0139 cents/KWh; and

Non Residential Rider DSM Vintage 3 is 0.0651 cents/KWh

Pursuant to the Settlement Agreement approved by this Commission in Docket No. 2009-226-E, the Company agreed to conduct a mid-term true-up for the Vintage 3 rider based on EM&V results. As noted by ORS in its review letter, the true-up included as part of the requested Vintage 3 rider is incomplete and does not include any true-up for actual kilowatt and kilowatt-hour impacts, as required by the Settlement Agreement.

Therefore, I move that the following conditions apply to the Commission's approval of Vintage 3 rates:

1. As recommended by ORS and agreed to by the Company, the Company shall perform a Vintage 1 and Vintage 2 true-up for actual kilowatt and kilowatt hour impacts for all programs except the Non-Residential Smart Saver Custom Rebate Program and the Low Income Energy Efficiency and Weatherization Assistance Program as part of the Vintage 4 filing in 2012. The kilowatt and kilowatt hour true-up for Vintage 3 will be performed as part of the final true-up in year 6.
2. As recommended by the environmental intervenors and agreed to by ORS, the Company

should explore cost-effective ways to encourage non-residential customers who have opted out to participate in the Company's energy efficiency programs.

3. As we have required of other Companies offering energy efficiency programs, the Company shall file with the Commission all EM&V results, reports, or other documentation upon completion of the studies.
4. As recommended by the environmental intervenors and agreed to by ORS, the Company shall provide a clear timeline – both past and future – for applying EM&V results to program energy savings estimates for the true-up, including the start, end, and effective dates of the EM&V reports. The Company shall file this timeline with the Commission by March 30, 2012.
5. As recommended by the environmental intervenors and agreed to by ORS, the Company shall file a schedule for the Company's annual save-a-watt rider proceeding that: (1) allows no less than 90 days from the date of the Company's Application until the effective date of the rider, (2) includes a deadline for Petitions to Intervene that expires 30 days after the Company's filing date, and (3) requires ORS and other intervenors to comment on the Company's Application no later than 45 days after the Company's filing date. This schedule shall be filed with the Commission by March 30, 2012.

Additionally, in order to clarify some aspects of the save-a-watt program, Staff has developed a list of inquiries for the Company and ORS that was distributed to the Commissioners at the beginning of my motion. I move that these questions be distributed to the Company and ORS and that they have until March 30, 2012 to file responses. Copies of these inquiries will be available at the conclusion of today's meeting. We look forward to continuing to work together to further develop the save-a-watt program in a way that benefits consumers and the Company. Finally, I move that the Vintage 3 rider shall remain in effect until further Commission order.

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Staff Inquiries to Duke Energy Carolinas, LLC and the Office of Regulatory Staff  
Regarding the save-a-watt Vintage 3 Cost Recovery Rider  
Docket No. 2011-420-E  
February 15, 2012

*The party to whom the question is directed is listed in parentheses following each question. The environmental intervenors should feel free to provide responses to any questions.*

1. Please describe the entities involved in performing EM&V functions for the Company, both internal and third-party. (*Company and ORS*)
2. Please identify the independent third party consultant hired by ORS to provide independent oversight of the save-a-watt program. Additionally, please describe the activities and resulting conclusions of this oversight mechanism. Please explain how the Commission will be informed of the results of the consultant's reviews. (*ORS*)
3. Please describe how the EM&V activities led by the Company interact with the independent oversight provided by the ORS independent consultant. Does responsibility for the EM&V activities and results, as required in the Settlement Agreement, lie with the Company, ORS, or both? Please explain. (*Company and ORS*)

4. The Company stated in its application at Paragraph 17 that this mid-term true-up "incorporates the most recent available EM&V results." The environmental comments stated on page 4 that "this application does not have any EM&V applied to it." Please explain. *(Company and ORS)*
5. Please explain whether or not the results of any EM&V were described in the Vintage 3 application? If so:
  - A. Please specifically provide where such description is located.
  - B. Please explain whether or not the results have been verified by a third party.*(Company and ORS)*
6. Please describe why the identification of actual KW or kWh savings for Vintage 1 has been delayed? How confident are you that they will be available by the Vintage 4 filing? *(Company and ORS)*
7. Was the mid-term true-up based on EM&V too aggressive of a target to meet? Please explain why or why not. Please explain whether the Company anticipates being able to fulfill all of the objectives of the mid-term true-up in the Vintage 4 filing. *(Company and ORS)*
8. Have you identified the root causes for the lack of success for the Residential Energy Assessments Program, the Energy Efficiency Education Program and the Low Income Energy Efficiency & Weatherization Program? If so, please provide an explanation. Please explain whether any common causes exist. *(Company and ORS)*
9. In Paragraph 20 of your application, you state that the Low Income Energy Efficiency & Weatherization Assistance Program was not offered to customers. On page 3 of its report, ORS states that program has not been successful. Please explain. *(Company and ORS)*
10. Please describe whether the approved save-a-watt programs, considered collectively, are producing the anticipated savings within anticipated costs. *(Company and ORS)*
11. What are the Company's plans for the save-a-watt program after the final true-up in year 6? *(Company and ORS)*

PRESIDING: Howard

SESSION: Regular

TIME: 2:00 p.m.

|           | MOTION                              | YES                                 | NO                       | OTHER         |
|-----------|-------------------------------------|-------------------------------------|--------------------------|---------------|
| FLEMING   | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |               |
| HALL      | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/> |               |
| HAMILTON  | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/> |               |
| HOWARD    | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/> |               |
| MITCHELL  | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/> |               |
| WHITFIELD | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/> |               |
| WRIGHT    | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/> | <u>Absent</u> |

NARUC Business - Attending an ICER Workshop in Brussels, Belgium

(SEAL)

RECORDED BY: J. Schmieding

